

SECURITIE

ON



05036432

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

OMB APPROVAL
OMB Number: 3235-0123
Expires: October 31, 2004
Estimated average burden
hours per response.....12.00

SEC FILE NUMBER
8- 32296

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/04 AND ENDING 12/31/04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: GoldK Investment Services, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1400 Main St., Suite 100

(No. and Street)

Waltham

MA

02451

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Leonid Berline

(781) 693-4675

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Saltz, Shamis & Goldfarb, Inc.

(Name - if individual, state last, first, middle name)

301 Springside Drive

Akron

OH

44333

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

PROCESSED

APR 04 2005

THOMSON
FINANCIAL

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)


Potential persons who are to respond to the collection of
information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.

BB

TLT 3/12/04


OATH OR AFFIRMATION

I, Leonid Berline, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GoldK Investment Services, Inc., as of December, 20 04, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Signature
President

Title



Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

GoldK Investment Services, Inc.

Financial Statements and Supplemental Information

Year ended December 31, 2004

Contents

Report of Independent Auditors	1
Financial Statements	
Statement of Financial Condition	2
Statement of Operations	3
Statement of Changes in Stockholder's Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6
Supplemental Information	
Computation of Net Capital Pursuant to Rule 15c3-1	11
Statement Regarding Rule 15c3-3	12
Supplementary Report	
Independent Auditors' Supplementary Report on Internal Control	13

Report of Independent Auditors



Certified Public Accountants

a division of

SS&G Financial Services

Akron Office

301 Springside Drive

Akron, Ohio 44333

(330) 668-9696

fax (330) 668-2538

www.SSandG.com

To the Stockholder and Board of Directors of
GoldK Investment Services, Inc.

We have audited the accompanying statement of financial condition of GoldK Investment Services, Inc. (the Company) as of December 31, 2004, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GoldK Investment Services, Inc. at December 31, 2004, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that GoldK Investment Services, Inc. will continue as a going concern. As more fully described in Note 6, GoldK Investment Services, Inc. is a wholly-owned subsidiary of GoldK, Inc. (GoldK). On a consolidated basis, GoldK reported a net loss for 2004, and has a working capital deficiency. These conditions raise substantial doubt about GoldK's ability to continue as a going concern. Because of the aforementioned conditions relating to GoldK, and the uncertainties surrounding its plans to address its liquidity problems, the parent company's actions could have a substantial effect on the Company's assets; therefore, there is also substantial doubt about whether GoldK Investment Services, Inc. will continue as a going concern. The 2004 financial statements of GoldK Investment Services, Inc. do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Company taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Saltz, Shamis & Goldfarb

February 2, 2005
Akron, Ohio

**Ohio's premier
provider of
financial and
business services.**

MEMBER OF

NSCPA, SECPS & ROPS

Divisions of AICPA, and

Leading Edge Alliance.

GoldK Investment Services, Inc.

Statement of Financial Condition

December 31, 2004

Assets

Cash	\$ 301,812
Accounts receivable	104,341
Prepaid expenses	<u>13,617</u>
Total assets	<u>\$419,770</u>

Liabilities

Accounts payable and accrued expenses	\$184,437
Deferred revenue	<u>47,017</u>
Total liabilities	231,454

Stockholder's equity

Common stock, no par value	
Authorized, issued and outstanding 200 shares	-
Additional paid-in capital	738,602
Accumulated deficit	<u>(550,286)</u>
Total stockholder's equity	<u>188,316</u>

Total liabilities and stockholder's equity	<u>\$419,770</u>
--	------------------

See accompanying notes.

GoldK Investment Services, Inc.

Statement of Operations

Year ended December 31, 2004

Revenues

12b-1 commissions, net	\$356,775
Securities trading commissions	2,594
Interest income	<u>2,771</u>
Total revenues	<u>362,140</u>

Expenses

Clearing broker expenses	21,944
Other selling, general and administrative expenses	<u>357,404</u>
Total expenses	<u>379,348</u>

Net loss	<u><u>(\$17,208)</u></u>
----------	--------------------------

See accompanying notes.

GoldK Investment Services, Inc.

Statement of Changes in Stockholder's Equity

Year ended December 31, 2004

	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at December 31, 2003	\$1,013,602	\$(533,078)	\$480,524
Capital withdrawals by parent	(275,000)	-	(275,000)
Net loss	-	(17,208)	(17,208)
Balance at December 31, 2004	<u>\$738,602</u>	<u>\$(550,286)</u>	<u>\$ 188,316</u>

See accompanying notes.

GoldK Investment Services, Inc.

Statement of Cash Flows

Year ended December 31, 2004

Cash flows from operating activities

Net Loss \$(17,208)

Adjustments to reconcile net loss to net cash used in
operating activities:

Changes in assets and liabilities:

Decrease in accounts receivable 85,070

Decrease in intercompany receivable 19,217

Decrease in prepaid expenses 4,188

Decrease in accounts payable and accrued expenses (97,586)

Decrease in deferred revenue (66,651)

Net cash used in operating activities (55,762)

Cash flows from financing activities

Capital withdrawal by parent (275,000)

Decrease in cash (347,970)

Cash at beginning of year 649,782

Cash at end of year \$301,812

See accompanying notes.

GoldK Investment Services, Inc.

Notes to Financial Statements

Year ended December 31, 2004

1. Summary of Significant Accounting Policies

Organization and Basis of Presentation

GoldK Investment Services, Inc. (the Company) is a retail brokerage firm, and is registered as a broker and dealer in securities under the Securities Exchange Act of 1934. The Company clears its securities on a fully disclosed basis with Winslow, Evans and Crocker, and National Financial Services Corporation (the Clearing Broker). The Company is a wholly-owned subsidiary of GoldK, Inc. (GoldK or the Parent).

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

Concentration of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of temporary cash investments. The Company maintains its temporary cash investments with a financial institution. The investments maintained by the financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of December 31, 2004, the Company had no other significant concentrations of risk.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Financial Instruments

The carrying values of the Company's financial instruments approximate their fair values at December 31, 2004.

GoldK Investment Services, Inc.

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Recognition of Commission Revenue and Expense

The Company earns 12b-1 commissions for executing purchases of mutual funds and for maintaining balances within those funds. Revenue is recorded on a trade-date basis for those commissions earned from purchases. Commissions earned on balances are based on the average balances maintained in the funds, and are recorded on an accrual basis. Any commissions paid to another brokerage firm are recorded as a deduction of revenue earned.

The Company earns securities trading commissions for executing customer securities transactions, which are cleared on a fully disclosed basis. Commissions and related clearing broker fees are recorded on a trade-date basis.

Income Taxes

The income tax accounts included in the accompanying statements of financial condition and operations are presented as if the Company were a stand-alone company for all periods presented. The Company has neither received from, nor paid to, the Parent any reimbursements to date relating to the use of net operating losses.

Deferred taxes are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. Valuation allowances are provided, if, based upon the weight of available evidence, it is more likely than not some or all of the deferred taxes will not be realized. At December 31, 2004, the Company has unused net operating loss carryforwards of approximately \$409,000 available to reduce future taxable income, which expire at various times through 2023. The net operating loss carryforward may be subject to the annual limitations provided in Internal Revenue Code (IRC) section 382.

Deferred tax assets at December 31, 2004 of approximately \$167,000 were primarily attributable to net operating losses and alternative minimum tax credit carryforwards. Due to the degree of uncertainty related to the ultimate use of the deferred assets, the Company has fully reserved these tax benefits.

GoldK Investment Services, Inc.

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Deferred Revenue

Deferred revenue represents 12b-1 commissions received from mutual funds that have not yet been earned.

2. Related-Party Transactions

During the year, affiliates of the Company provided various administrative and operational support services to the Company. Included in other selling, general and administrative expenses are personnel and overhead costs allocated from the Parent of \$113,492.

On December 17, 2004, the Company entered into an agreement with The Retirement Plan Company, LLC, a related party, to provide all administrative and operational support, including employees necessary to operate the business. The monthly fee for services rendered by The Retirement Plan Company, LLC is an amount equal to any and all net operating income of the Company for the preceding month.

3. Benefits

GoldK administers a 401(k) salary investment plan covering virtually all of the Company's full-time employees. There were no contributions by either the Company or GoldK during the year ended December 31, 2004.

4. Commitments and Contingencies

The Company leases equipment under operating lease agreements. Rental expense under operating leases was \$3,157 for the year ended December 31, 2004.

Future minimum lease payments as of December 2004 were as follows:

2005	\$1,458
2006	-
2007	-
2008	-
2009	-
	<hr/>
	\$1,458

GoldK Investment Services, Inc.

Notes to Financial Statements (continued)

4. Commitments and Contingencies (continued)

In the normal course of business, securities transactions of customers are introduced and cleared through a Clearing Broker. Pursuant to an agreement between the Company and the Clearing Broker, the Clearing Broker has the right to charge the Company for unsecured losses that result from a customer's failure to complete such transactions. The Company is therefore exposed to the credit risk of nonperformance by its customers and may sustain a loss if the market value of a security is different from the contract value of the transaction.

5. Net Capital Requirements

As a member organization of the NASD, the Company is subject to the Uniform Net Capital Rule 15c3-1 adopted by the SEC and administered by the NASD, which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. The Company's minimum net capital requirement as of December 31, 2004 was \$50,000. At December 31, 2004, the Company's net capital was \$129,614 and exceeded the minimum net capital requirement by \$79,614. The Company's ratio of aggregate indebtedness at December 31, 2004 was 1.79 to 1.

6. Going Concern

On December 17, 2004, GoldK entered into an agreement with The Retirement Plan Company (TRPC), whereby they contributed all assets and liabilities, excluding the common stock in the Company, for an interest in TRPC. In accordance with the agreement, GoldK will cooperate with TRPC in seeking regulatory consent, within the first six months, to allow the common stock of the Company to be transferred and contributed to TRPC. If such consent cannot be obtained after diligent efforts, the Company shall be dissolved and liquidated, and the proceeds of such liquidation shall be contributed to TRPC. As a result, there is substantial doubt about the Company's ability to continue as a going concern.

Because of the aforementioned conditions relating to the Company, and the uncertainties surrounding GoldK's ability to seek regulatory consent, GoldK's actions could have a substantial effect on the Company's assets; therefore, there is also substantial doubt about whether the GoldK Investment Services, Inc. will continue as a going concern.

The 2004 financial statements of the Company do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

Supplemental Information

GoldK Investment Services, Inc.

Computation of Net Capital Pursuant to Rule 15c3-1

December 31, 2004

Total stockholder's equity from Statement of Financial Condition		\$188,316
Deductions:		
Nonallowable assets:		
Receivables	\$26,085	
Prepaid expenses	<u>13,617</u>	
	39,702	
Other deductions:		
Fidelity bond deductible	<u>19,000</u>	
Net capital		129,614
Net capital requirement (greater of 6-2/3% of aggregate indebtedness or \$50,000)		<u>50,000</u>
Excess net capital		<u>\$79,614</u>
Total aggregate indebtedness		<u>\$231,454</u>
Percentage of aggregate indebtedness to net capital		<u>179%</u>

Statement Pursuant to Paragraph (d)(4) Rule 17a-5

The above computation of net capital differs from the corresponding computation prepared by the Company for inclusion on its Part II FOCUS Report filing as of December 31, 2004. The difference relates to a decrease in both the expenses and aggregate indebtedness due to a change in the Company's estimate of accrued expenses at December 31, 2004. The differences resulted in the excess net capital recorded on the above calculation to be greater than the amount recorded on the Part II FOCUS filing by \$ 8,900.

GoldK Investment Services, Inc.

Statement Regarding Rule 15c3-3

December 31, 2004

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission under paragraph (k)(2)(ii) of that rule.

Supplementary Report

Independent Auditors' Supplementary Report on Internal Control



Certified Public Accountants

a division of
SS&G Financial Services

Akron Office

301 Springside Drive

Akron, Ohio 44333

(330) 668-9696

fax (330) 668-2538

www.SSandG.com

Board of Directors
GoldK Investment Services, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of GoldK Investment Services, Inc. (the Company), for the year ended December 31, 2004, we considered its internal control, including control activities for safeguarding securities, to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we considered relevant to the criteria stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by Rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned criteria. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional criteria of the practices and procedures listed in the preceding paragraph.

*Ohio's premier
provider of
financial and
business services.*

member of:

OSCPA, SECPS & PCPS

Divisions of AICPA, and

Leading Edge Alliance.

Because of inherent limitations in any internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that internal control may become inadequate because of changes in conditions or that the effectiveness of its design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not meet such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2004, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Sally Shinn + Goldfarb

February 2, 2005
Akron, Ohio